

CITY COURT OF NEW IBERIA
FINANCIAL REPORT
JUNE 30, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAR 12 2014

CITY COURT OF NEW IBERIA, LOUISIANA
FINANCIAL REPORT

June 30, 2013

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INDEPENDENT AUDITOR'S REPORT

The Honorable Robert L. Segura, Judge
City Court of New Iberia
New Iberia, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the City Court of New Iberia (hereinafter "Court"), a component unit of the City of New Iberia, Louisiana, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City Court of New Iberia's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Court's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

The Honorable Robert L. Segura, Judge
City Court of New Iberia
New Iberia, Louisiana
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Opinions

In my opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Court as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

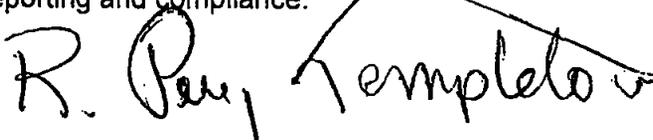
Other Matters Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during I audit of the basic financial statements. I do not express an opinion or provide any assurance on the budgetary comparison information on page 27 because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

The Court has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other Reporting Requirements Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have issued my report dated December 24, 2013, on my consideration of the Court's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance.



New Iberia, Louisiana
December 24, 2013

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

CITY COURT OF NEW IBERIA
STATEMENT OF NET POSITION

June 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 91,749
Due from Fines Agency Fund	<u>36,825</u>
Total Current Assets	128,574
Non Current Assets:	
Capital Assets, Net	<u>2,855</u>
Total Assets	<u>131,429</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Expenses	<u>3,543</u>
NET POSITION	
Invested in Capital Assets, Net of Related Debt	2,855
Unrestricted	<u>125,031</u>
Total Net Position	<u>\$ 127,886</u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF NEW IBERIA

STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

Governmental Activities

Expenditures:

Judiciary

Publications	\$ 24,156
Judge's Salary	82,714
Other Salaries	262,479
Office Supplies & Printing	20,187
Legal & Accounting Costs	4,715
Judge & Employees Retirement and Benefits	137,008
Dues, Meetings & Insurance	13,042
Other Miscellaneous Costs	7,728
Outside Services	9,476
Depreciation	<u>3,003</u>
Total Expenditures	<u>564,508</u>

Program Revenues

Revenues:

Fees, Charges and Commissions -- Court Costs, Fees, and Fines	401,049
Bonds Forfeited	<u>3,184</u>
Total Program Revenues	<u>404,233</u>

Net Program (Expense) Revenue (160,275)

General Revenue

Intergovernmental On Behalf Payments	150,818
Other Income	<u>49,186</u>
Total General Revenue	<u>200,004</u>

Change in Net Position 39,729

Net Position, Beginning of Year 88,157

Net Position, End of Year \$ 127,886

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTION

General Fund

The general fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

CITY COURT OF NEW IBERIA
BALANCE SHEET – GOVERNMENTAL FUND

June 30, 2013

	<u>General Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 91,749
Due from Fines Agency Fund	<u>36,825</u>
Total Assets	<u>\$ 128,574</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts Payable and Accrued Expenses	\$ 3,543
Fund Balances:	
Unassigned	<u>125,031</u>
Total Liabilities and Fund Balance	<u>\$ 128,574</u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF NEW IBERIA

RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF
NET POSITION

June 30, 2013

Total Fund Balance for the Governmental Fund at June 30, 2013		\$ 125,031
Cost of Capital Assets at June 30, 2013	149,177	
Less: Accumulated Depreciation	<u>146,322</u>	<u>2,855</u>
Total Net Position of Governmental Activities at June 30, 2013		<u>\$ 127,886</u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF NEW IBERIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS

Year Ended June 30, 2013

	<u>General Fund</u>
Revenues:	
Fees, Charges and Commissions -	
Court Costs, Fees, and Fines	\$ 401,049
Intergovernmental-	
On Behalf Payments	150,818
Bonds Forfeited	3,184
Other Income	<u>49,186</u>
Total Revenues	<u>604,237</u>
Expenditures:	
Current-	
General Government –	
Publications	24,156
Judge's Salary	82,714
Other Salaries	262,479
Office Supplies & Printing	20,187
Legal & Accounting Costs	4,715
Judge & Employees Retirement and Benefits	137,008
Dues, Meetings, & Insurance	13,042
Other Miscellaneous Costs	7,728
Outside Services	9,476
Capital Outlay	<u>-</u>
Total Expenditures	<u>561,505</u>
Excess (Deficiency) of Revenues Over Expenditures	42,732
Fund Balance, Beginning of Year	<u>82,299</u>
Fund Balance, End of Year	<u>\$ 125,031</u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF NEW IBERIA

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUND TO THE STATEMENT
OF ACTIVITIES

For the Year Ended June 30, 2013

Total Net Change in Fund Balance for the Year Ended June 30, 2013 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 42,732
Add: Capital Outlay (Purchases) for the Year Ended June 30, 2013	-
Less: Depreciation Expense for Year Ended June 30, 2013	<u>3,003</u>
Total Change in Net Position for the Year Ended June 30, 2013 per Statement of Activities	<u>\$ 39,729</u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF NEW IBERIA
STATEMENT OF FIDUCIARY NET POSITION

June 30, 2013

	Agency Funds			Total
	Fines Agency Fund	Civil Court Fund	Bond Fund	
ASSETS				
Cash and Cash Equivalents	\$ 59,987	\$ 132,903	\$ 560	\$ 193,450
Total Assets	<u>\$ 59,987</u>	<u>\$ 132,903</u>	<u>\$ 560</u>	<u>\$ 193,450</u>
LIABILITIES				
Accounts Payable	\$ 23,162	\$ -	\$ -	\$ 23,162
Held for Other Pending Court Action	-	132,903	560	133,463
Due to General Fund	<u>36,825</u>	<u>-</u>	<u>-</u>	<u>36,825</u>
Total Liabilities	<u>\$ 59,987</u>	<u>\$ 132,903</u>	<u>\$ 560</u>	<u>\$ 193,450</u>
NET POSITION				
Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of the basic financial statements.

CITY COURT OF NEW IBERIA
NOTES TO BASIC FINANCIAL STATEMENTS

INTRODUCTION

As provided by LSA-RS 13:1871 et seq, the City Court of New Iberia (Court) accounts for the operation of the Court's office. The City Court Judge is elected for a six-year term.

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

As the governing authority of the City, for reporting purposes, the City of New Iberia is the financial reporting entity. The financial reporting entity consists of the primary government (City), organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Because the City provides the City Court of New Iberia with office space and pays the salaries and benefits of Court employees, the Court was determined to be a component unit of the City of New Iberia, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Court and do not present information on the City, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

B. Basis of Presentation

The accompanying basic financial statements of the Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments, issued in June 1999.

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Court as a whole. These statements include all the financial activities of the Court. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when

CITY COURT OF NEW IBERIA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

The statement of activities presents a comparison between direct expenses and program revenues for the Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) court costs, fees, and fines paid by the recipients of services offered by the Court, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund-Financial Statements (FFS)

The Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds. The General Fund of the Court is considered to be a major fund. The funds of the Court are described below:

Governmental Funds –

General Fund – This fund is the primary operating fund of the Court and it accounts for the operations of the Court's office. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Court's policy.

Fiduciary Funds –

Fiduciary funds reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Court are agency funds. The agency funds account for assets held by the Court as an agent for litigants in civil suits, cash bonds for criminal proceedings, and fees held pending court action.

CITY COURT OF NEW IBERIA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting. The agency funds are as follows:

Fines Agency Fund – accounts for the receipt and disbursement of bonds, fines, and costs from criminal proceedings to the appropriate governmental entity.

Civil Court Fund – accounts for advance deposits in civil suits and the receipt and disbursement of civil docket fees, small claims fees, and garnishments.

Bond Fund – accounts for the collection of bonds.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded with the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. The governmental fund utilizes a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of a period.
- b. The government-wide financial statement utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net assets.

CITY COURT OF NEW IBERIA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

D. Budgets and Budgetary Accounting

The City Court follows these procedures in establishing the budgetary data reflected in the financial statements.

1. A proposed budget is prepared and submitted to the Judge of the City Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. The budget is adopted on a basis consistent with generally accepted accounting principles (GAACP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the City Court.

E. Assets, Liabilities, and Equity

Cash and Interest-Bearing Deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Court.

The Court has established the policy of including all short-term, highly liquid investments with maturities of 90 or fewer days in cash and cash equivalents. Under state law, the Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. See Note (3) for other GASB No. 3 disclosures.

CITY COURT OF NEW IBERIA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 or fewer days, they are classified as cash equivalents.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are capitalized at historical cost. The Court maintains a threshold level of \$500 for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Office furniture	7 years
Equipment	5 years

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

CITY COURT OF NEW IBERIA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund statements, governmental fund equity is classified as fund balance. Fund balances of the government funds are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Judge, which is the highest level of decision-making authority for the New Iberia City Court.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. Unassigned – all other spendable amounts.

When a expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the New Iberia City Court considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the New Iberia City Court considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the New Iberia City Court has provided otherwise in its commitment or assignment actions

CITY COURT OF NEW IBERIA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

F. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. Revenues and fees, charges and commissions for services are recorded when the Court is entitled to the funds.

Interest on interest-bearing deposits is recorded or accrued as revenue when earned. Substantially all other revenues are recorded when received.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function. In the funds financial statements, expenditures are classified as follows:

Government Funds – By Character

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

H. Vacation and Sick Leave

Vacation is recorded as an expenditure of the period in which paid. It must be taken in the year accrued and cannot be carried over. There is no provision for sick leave at this time. Any liability the City Court of New Iberia, Louisiana might have in this regard is considered immaterial; therefore, no liability has been recorded in the accounts.

(2) Cash and Interest-Bearing Deposits

Under state law, the Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Court may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2013, the Court has cash and cash equivalents (book balances) totaling \$285,199 as follows:

CITY COURT OF NEW IBERIA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

	Governmental Fund Type	Fiduciary Fund Type	Total
Demand Deposits	\$ 91,749	\$ 193,450	\$ 285,199

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2013, totaled \$ 319,679 and are secured from risk by federal deposit insurance.

Custodial credit risk is the risk that in the event of a bank failure, the Court's deposits will not be returned to it. As of June 30, 2013 there was no custodial credit risk.

(3) Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance 7/01/2012	Additions	Deletions	Balance 6/30/2013
Governmental Activities:				
Furniture, Fixtures and Equipment	\$ 149,177	\$ -	\$ -	\$ 149,177
Less: Accumulated Depreciation	143,319	3,003	-	146,322
Net Capital Assets	\$ 5,858	\$ (3,003)	\$ -	\$ 2,855

Depreciation expense of \$3,003 was charged to the general government function.

(4) Changes in Agency Fund Balances

A summary of changes in agency fund unsettled deposits follows:

CITY COURT OF NEW IBERIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 (Continued)

	<u>Fines Agency Fund</u>	<u>Civil Court Fund</u>	<u>Bond Fund</u>	<u>Total</u>
Beginning Balance, July 1, 2012	\$ 37,548	\$ 129,887	\$ 860	\$ 168,295
Additions	633,735	250,218	11,000	894,953
Reductions	<u>611,296</u>	<u>247,202</u>	<u>11,300</u>	<u>869,798</u>
Ending Balance, June 30, 2013	<u>\$ 59,987</u>	<u>\$ 132,903</u>	<u>\$ 560</u>	<u>\$ 193,450</u>

(5) On Behalf Payments for Salaries and Benefits

The Court follows GASB Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance". This standard requires the Court to report in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana to the City Court Judge and salary and fringe benefits payments made by the City of New Iberia to the Judge and the Court's employees.

Supplementary salary payments are made by the State directly to the City Court Judge and from the City to the Judge and the Court's employees. The Court is not legally responsible for these salary supplements. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contributions made by the State and the City. For the fiscal year ended June 30, 2013 the State and City paid \$117,954 in supplemental salary and benefit payments to the City Court Judge and the City made supplementary salary and benefit payments of \$32,864 to the City Court's employees.

(6) Pension Plan

Plan Description

Louisiana State Employees' Retirement System. The New Iberia City Court Judge is a member of the Louisiana State Employees' Retirement System, a cost-sharing, single-employer defined benefit pension plan administered by a separate board of trustees.

Eligibility Requirements

All state employees except certain classes of employees specifically excluded by Statute become members of the System as a condition of employment unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS.

CITY COURT OF NEW IBERIA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by Statute and vary depending on the member's employer and job classification. The substantial majority of members may retire with full benefits at ages ranging from any age upon completing thirty years of creditable service, to age sixty upon completing ten years of creditable service. Members may choose to retire with 20 years of service at any age, with an actuarial reduced benefit.

The basic annual retirement benefit for substantially all members is equal to 2-1/2% of average compensation multiplied by the number of years of creditable service plus \$300. Participants who became members of LASERS on or after July 1, 1986, are not eligible for the \$300 addition to the annual retirement benefit formula. Average compensation is defined as the member's average annual earned compensation for the highest thirty-six consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or certain specified dollar amounts of actuarially determined monetary limits which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the above basic retirement benefit, a member may elect to receive his retirement benefits under any one of four different options providing for a reduced retirement benefit payable throughout his life with certain benefits being paid to his designated beneficiary after his death.

A member leaving employment before attaining minimum retirement age but after completing certain minimum service requirements becomes eligible for a benefit provided the member lives to the minimum service retirement age and does not withdraw his accumulated contributions. The minimum service requirements for benefits vary depending upon the member's employer and service classification.

Member Contributions

Member contribution rates for the System are established by Louisiana Revised Statute 11:62. Employee member contributions are deducted from their salary and remitted to the System by participating employers. For the year ended June 30, 2013 the Judge's contribution rate was 11.5%.

Employer Contributions

Each employer is required to contribute a percentage of each employee's earned compensation to finance participation of its employees in LASERS. The employer's contribution rate is established under Louisiana Revised Statutes 11:101-11:104 and annually by the Actuarial Forecasting Committee. For the year ending June 30, 2013 the City Court's contribution rate was 34.8%

CITY COURT OF NEW IBERIA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

All other City Court employees are members of the Municipal Employees Retirement System.

Municipal Employees' Retirement System. All permanent City employees who work at least 35 hours a week, not participating in another public funded retirement system and are under 60 years of age are members of the plan. Members of the plan may retire with thirty years of creditable service regardless of age, with twenty-five years of service at age 55, and with 10 years of service at age 60. The retirement allowance is equal to 3% of the member's final compensation multiplied by his years of creditable service, with certain provisions made for those employees who were members of the supplemental plan only prior to its revision date. Their retirement allowance may not exceed the greater of 100% of a member's final salary or compensation. The system also provides disability and survivor benefits. Benefits are established by the State statute.

State statute requires covered employees to contribute 9.25% of their earnings to the plan. The New Iberia City Court contributes a percentage to the plan as employer only of the portion of compensation the employees receive from the New Iberia City Court. For the year ending June 30, 2013 the City Court's portion was 17.00%

Although contributions are determined by State statute rather than actuarial calculations, actuarially required contributions are determined for the System, but not separately for the New Iberia City Court.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The System does not make separate measurements of assets and pension benefit obligation for individual employers.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 2013 comprehensive annual financial report. The New Iberia City Court does not guarantee the benefits granted by the System.

The City Court's contributions to the systems for the years ended June 30, 2013, 2012, and 2011 were \$51,606, \$46,004 and \$43,027 respectively.

(7) Pending Litigation

At June 30, 2013 the Court was not involved in any litigation.

CITY COURT OF NEW IBERIA
NOTES TO BASIC FINANCIAL STATEMENTS
(Continued)

(8) Other Postretirement Benefits

The New Iberia City Court provides no postretirement benefits.

(9) Risk Management

Potential significant losses are covered by the City of New Iberia's commercial insurances.

(10) Subsequent Events

Subsequent events have been evaluated through December 24, 2013, the date of the financial statement issuance.

REQUIRED SUPPLEMENTARY INFORMATION

CITY COURT OF NEW IBERIA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND

Year Ended June 30, 2013

	<u>Budget</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Fees, Charges and Commissions -				
Court Costs, Fees, and Fines	\$425,000	\$400,000	\$401,049	\$ 1,049
Intergovernmental				
On Behalf Payments	155,000	150,000	150,818	818
Bonds Forfeited, Net	5,000	5,000	3,184	(1816)
Other Income	<u>2,000</u>	<u>50,000</u>	<u>49,186</u>	<u>(814)</u>
Total Revenues	<u>587,000</u>	<u>605,000</u>	<u>604,237</u>	<u>(763)</u>
Expenditures:				
Current -				
General Government:				
Publications	22,000	22,000	24,156	(2,156)
Payments to City of New Iberia	50,000	-	-	-
Judge's Salary	86,700	86,700	82,714	3,986
Other Salaries	239,700	260,000	262,479	(2,479)
Office Supplies & Printing	21,000	21,000	20,187	813
Legal & Accounting Costs	4,700	4,700	4,715	(15)
Judge & Employees Retirement and Benefits	117,600	135,000	137,008	(2,008)
Dues, Meetings, & Insurance	12,000	12,000	13,042	(1,042)
Other Miscellaneous Costs	7,900	7,900	7,728	172
Outside Services	15,000	10,000	9,476	524
Capital Outlay	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>579,600</u>	<u>559,300</u>	<u>561,505</u>	<u>(2,205)</u>
Excess (Deficiency) of Revenues Over Expenditures	7,400	(45,700)	(42,732)	(2,968)
Fund Balance, Beginning of Year	<u>82,299</u>	<u>82,299</u>	<u>82,299</u>	<u>-</u>
Fund Balance, End of Year	<u>\$89,699</u>	<u>\$ 127,999</u>	<u>\$ 125,031</u>	<u>\$ (2,968)</u>

The accompanying notes are an integral part of the basic financial statements.

**COMPLIANCE
AND
INTERNAL CONTROL**

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MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LA CPA'S

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Robert L. Segura, Judge
City Court of New Iberia
New Iberia, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City Court of New Iberia, a component unit of the City of New Iberia, Louisiana, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City Court of New Iberia's basic financial statements, and have issued my report thereon dated December 24, 2013.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the City Court of New Iberia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City Court of New Iberia's internal control. Accordingly, I do not express an opinion on the effectiveness of the City Court of New Iberia's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during my audit, I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses. However, significant deficiencies and material weaknesses may exist that have not been identified. I did identify a certain deficiency in internal control, described in the following schedule of audit results, findings, and questioned costs that I consider to be a significant deficiency (2013-1).

The Honorable Robert L. Segura, Judge
City Court of New Iberia
New Iberia, Louisiana
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City Court of New Iberia's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the City Court of New Iberia, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink that reads "R. J. Templeton". The signature is written in a cursive style with a large, stylized "R" and "J".

New Iberia, Louisiana
December 24, 2013

CITY COURT OF NEW IBERIA

Schedule of Audit Results, Findings, and Questioned Costs
For the Year Ended June 30, 2013

Section I – Summary of Auditor’s Results

Type of auditor’s report issued:	Unqualified	
Internal control over financial reporting:		
Material weaknesses identified?	_____yes	___x___no
Significant deficiencies identified that are not considered to be material weaknesses	___x___yes	_____no
Noncompliance material to financial statements noted	_____yes	___x___no

Section II – Summary of Current Year Audit Findings/ Compliance

2013-1 (IC) Lack of Controls over Financial Reporting in accordance with GAAP

Condition:

The Court does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including the related notes.

Effect:

As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting entries and to prepare the annual financial statements. This condition is intentional by management based upon the financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Recently issued Statement on Auditing Standards (SAS) 112 requires that we report the above condition as a control deficiency.

Recommendation:

Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 112. In this case I do not believe the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action is necessary.

Management’s Response:

The Court has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

CITY COURT OF NEW IBERIA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2013

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description Of Finding</u>	<u>Corrective Action Taken (Yes, No, Partial)</u>	<u>Planned Corrective Actual/Partial Corrective Action Taken</u>
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Section I – Internal Control and Compliance Material to the Financial Statements

None reported in prior year.

Section II – Management Letter

None reported in prior year.